

U.S. House of Representatives
Committee on Standards of Official Conduct
Suite HT-2, U.S. Capitol
Washington, DC 20515

STATEMENT OF ALLEGED VIOLATION

IN THE MATTER OF REPRESENTATIVE JAMES C. WRIGHT, JR.

April 13, 1989

Relevant Standards of Conduct

At all times relevant to the violations hereafter alleged, the pertinent provisions of 2 U.S.C. 441i, House Rule XLIII, clause 4, House Rule XLIV, and House Rule XLVII stated as follows:

2 U.S.C. §441i

(a) No person while an elected or appointed officer or employee of any branch of the Federal Government shall accept any honorarium of more than \$2,000 (excluding amounts accepted for actual travel and subsistence expenses for such person and his spouse or an aide to such person, and excluding amounts paid or incurred for any agents' fees or commissions) for any appearance, speech, or article.

(b) Any honorarium, or any part thereof, paid by or on behalf of an elected or appointed officer or employee of any branch of the Federal Government to a charitable organization shall be deemed not to be accepted for the purposes of this section.

(c) For purposes of determining the aggregate amount of honorariums received by a person during any calendar year, amounts returned to the person paying an honorarium before the close of the calendar year in which it was received shall be disregarded.

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(d) For purposes of paragraph (2) of subsection (a) of this section, an honorarium shall be treated as accepted only in the year in which that honorarium is received.

[As amended Pub. L. 98-63, section 908(g), July 30, 1983, 97 Stat. 338].

House Rule XLIII, clause 4

A Member, officer, or employee of the House of Representatives shall not accept gifts (other than personal hospitality of an individual or with a fair market value of \$50* or less) in any calendar year aggregating \$100 or more in value, directly or indirectly, from any person (other than from a relative of his) having a direct interest in legislation before the Congress or who is a foreign national (or agent of a foreign national). Any person registered under the Federal Regulation of Lobbying Act of 1946 (or any successor statute), any officer or director of such registered person, and any person retained by such registered person for the purpose of influencing legislation before the Congress shall be deemed to have a direct interest in legislation before the Congress.

House Rule XLIV

1. A copy of each report filed with the Clerk under title I of the Ethics in Government Act of 1978 shall be sent by the Clerk within the seven-day period beginning the date on which the report is filed to the Committee on Standards of Official Conduct. By July 1 of each year, the Clerk shall compile all such reports sent to him by Members within the period beginning on January 1 and ending on May 15 of each year and have them printed as a House document, which document shall be made available to the public.

2. For the purposes of this rule, the provisions of title I of the Ethics in Government Act of 1978 shall be deemed to be a rule of the House as it pertains to Members, officers, and employees of the House of Representatives.

* This threshold for aggregating was \$35 until the 100th Congress, 1st Session, with the adoption of H. Res. 5 on January 6, 1987.

House Rule XLVII

1.(a) Except as provided by paragraph (b), no Member may, in any calendar year beginning after December 31, 1978, have outside earned income attributable to such calendar year which is in excess of 30 per centum of the aggregate salary as a Member paid to the Member during such calendar year.

(b) In the case of any individual who becomes a Member during any calendar year beginning after December 31, 1978, such Member may not have outside earned income attributable to the portion of that calendar year which occurs after such individual becomes a Member which is in excess of 30 per centum of the aggregate salary as a Member paid to the Member during such calendar year.

2. For purposes of clause 1, honoraria shall be attributable to the calendar year in which payment is received.

3. For the purposes of this rule--

(a) The term "Member" means any Member of the House of Representatives, a Delegate to the House of Representatives, or the Resident Commissioner in the House of Representatives.

(b) the term "honorarium" means a payment of money or any thing of value to a Member for an appearance, speech, or article, by the Member; but there shall not be taken into account for purposes of this paragraph any actual and necessary travel expenses incurred by the Member to the extent that such travel expenses are paid or reimbursed by any other person, and the amount otherwise determined shall be reduced by the amount of any such expenses to the extent that they are not paid or reimbursed.

(c) The term "travel expenses" means, with respect to a Member, the cost of transportation, and the cost of lodging and meals while away from his residence or the greater Washington, District of Columbia, metropolitan area.

(d) The term "outside earned income" means, with respect to a Member, wages, salaries, professional fees, honorariums, and other amounts (other than copyright royalties) received or to be received as compensation for personal services actually rendered but does not include--

- (1) the salary of such Member as a Member;
- (2) any compensation derived by such Member for personal services actually rendered prior to the effective date of this rule or becoming such a Member, whichever occurs later;
- (3) any amount paid by, or on behalf of, a Member to a tax-qualified pension, profit-sharing, or stock bonus plan and received by such Member for such a plan; and
- (4) in the case of a Member engaged in a trade or business in which the Member or his family holds a controlling interest and in which both personal services and capital are income-producing factors, any amount received by such Member so long as the personal services actually rendered by the Member in the trade or business do not generate a significant amount of income.

Outside earned income shall be determined without regard to any community property law.

STATEMENT OF ALLEGED VIOLATION - COUNT ONE

The Committee has reason to believe that, during calendar years 1984-1987, Representative Wright violated House Rules XLIII, XLIV, and XLVII, as well as 2 U.S.C. 441i, in connection with the marketing and sale of his book, Reflections of a Public Man. The record indicates that in each of seven instances, Representative Wright received income denominated as royalty (based on a royalty of 55% of book price) from the sales of books, such sales having been arranged in lieu of traditional honoraria compensation for speeches. The Committee has reason to believe that the subject book sales were intended to avoid the limitations of law and House Rules on the reporting and receipt of outside earned income, honoraria, and gifts. Accordingly, the Committee believes that, notwithstanding that the congressman's income was nominally a royalty derived from the sale of books, because each "sale" was arranged as compensation for a speech, the result is that the income was, in fact, the honorarium for the speech. The seven instances, amount of income, and resultant alleged violations are described below. An eighth instance alleging an undisclosed gift is also described.

A. Calendar Year 1984

1. October 16, 1984, speech at Southwest Texas State University

The record indicates that Representative Wright gave a speech for which he received a \$3,000 honorarium check. Subsequent to receipt of the honorarium, university officials were asked whether they wished to receive books from Representative Wright who had

reached the 30% annual limit on outside earned income imposed by House Rule XLVII. Arrangements were made for the school to receive \$3,000 worth of the book, Reflections of a Public Man. Representative Wright received the check dated October 12, 1984, and endorsed it to Madison Publishing, which, in turn, deposited the check on November 28, 1984. By so doing, Wright received \$1,650 (the 55-percent royalty proceeds) as royalty income in lieu of the \$3,000 honorarium.

The Committee has reason to believe that, by accepting the honorarium (endorsing the check from the University), Representative Wright accepted an honorarium in excess of the \$2,000 limit in violation of 2 U.S.C. 441i. Consequently, the Committee also has reason to believe that Representative Wright failed to disclose the proceeds as an honorarium on his Financial Disclosure Statement in violation of House Rule XLIV and exceeded the outside earned income limit imposed by House Rule XLVII.

B. Calendar Year 1985

1. April 1985 speech to National Association of Realtors (NAR)

The record indicates that Representative Wright spoke at NAR's April 1985 legislative meeting. The original \$2,000 check from NAR to Representative Wright noted the payment was for the congressman's honorarium. This check was voided and a second \$2,000 check was issued for the purpose of buying multiple

copies of the congressman's book, Reflections of a Public Man.

Therefore, the Committee concludes there is reason to believe that the \$1,100 Representative Wright received as royalty income from this sale of the books was, in fact, the honorarium for his speech to NAR and constituted unreported outside earned income in violation of the limitation of House Rule XLVII and House Rule XLIV regarding financial disclosure.

2. July 29, 1985, speech to Hamel & Park

The record indicates that Representative Wright made a speech at the request of the law firm of Hamel & Park for which Representative Wright was offered an honorarium. It was suggested that, in lieu of the honorarium which the firm indicated it was willing to pay, the firm should, instead, purchase \$2,000 worth of Representative Wright's book, Reflections of a Public Man. The firm made the book purchase as suggested.

The Committee has reason to believe that the \$1,100 Representative Wright received as royalty income from this sale of the books, was, in fact, the honorarium for his speech to Hamel & Park and constituted unreported outside earned income in violation of the limitation of House Rule XLVII and House Rule XLIV regarding financial disclosure.

3. September 1985 speech to Van Liew Capital

The record indicates that Representative Wright

gave a speech to Van Liew Capital clients in September, 1985. Correspondence arranging the congressman's appearance specified a \$2,000 honorarium for his doing so.

The record further indicates that prior to Representative Wright's appearance, Van Liew Capital was informed that it could not pay Representative Wright directly for his speech due to limitations on outside earned income (House Rule XLVII). Instead, purchase of the congressman's book, Reflections of a Public Man, was suggested. Thereafter, Van Liew Capital issued a check to purchase \$2,000 worth of the book.

The Committee concludes there is reason to believe that the \$1,100 royalty which Representative Wright received from Van Liew Capital from this sale of the books was, in fact, the honorarium for his speech to the organization and constituted unreported outside earned income in violation of the limitation of House Rule XLVII and House Rule XLIV regarding financial disclosure.

4. Late Fall 1985 speech to Ocean Spray Massachusetts Growers (Ocean Spray)

The record indicates that although Ocean Spray offered Representative Wright a \$2,000 honorarium for his speech, it was suggested that, instead, Ocean Spray buy copies of the congressman's book, Reflections of a Public Man.

Since the honorarium check had already been issued, a second check was prepared to effect the book purchase. In addition, it was agreed that Ocean Spray would not receive any books, but, rather, Representative Wright would distribute them.

The Committee concludes there is reason to believe that the \$1,100 Representative Wright received as royalty income from this sale of books was, in fact, the honorarium for his speech to Ocean Spray and constituted unreported outside earned income in violation of the limitation of House Rule XLVII and House Rule XLIV regarding financial disclosure.

The Committee has further reason to believe that since Ocean Spray did not receive any books, the books were a gift to the congressman in violation of House Rule XLIII, clause 4, and House Rule XLIV regarding disclosure of gifts.

C. Calendar Year 1986

1. March 11, 1986, speech to the Fertilizer Institute

The record indicates that in conjunction with Representative Wright's speech, the Institute had expressed its desire "to do something" for him, such as present the congressman with a suitable memento, "such as a plaque, or small gift, et cetera." It was suggested that the Institute purchase copies of the congressman's book, Reflections of a Public Man. Accordingly, prior to Representative Wright's

appearance, the Fertilizer Institute purchased \$2,023 worth of the book.

The Committee has reason to believe that the \$1,112.65 Representative Wright received as royalty income from this sale of books was, in fact, the honorarium for his speech to the Fertilizer Institute and constituted unreported outside earned income in violation of the limitation of House Rule XLVII and House Rule XLIV regarding financial disclosure.

2. March 1986 speech to Mid-Continent Oil & Gas Association (Mid-Continent)

In conjunction with Representative Wright's speech to Mid-Continent's 1986 annual meeting, the record indicates that it was suggested that Mid-Continent purchase \$1,000 worth of his book, Reflections of a Pubic Man, in lieu of paying an honorarium. Mid-Continent did not receive all the books it purchased but, rather, left distribution of most of the copies up to the congressman.

The Committee has reason to believe that the \$550 Representative Wright received as royalty income from this sale of books was, in fact, the honorarium for his speech to Mid-Continent and constituted unreported outside earned income in violation of the limitation of House Rule XLVII and House Rule XLIV regarding financial disclosure.

Moreover, since Mid-Continent did not receive all the books it purchased, the Committee has further

reason to believe that the books constructively given to Representative Wright for his distribution constituted a gift to the congressman in violation of House Rule XLIII, clause 4, and House Rule XLIV regarding disclosure of gifts.

D. Calendar Year 1987

The record indicates that Mr. S. Gene Payte, a Ft. Worth, Texas, real estate developer, desired to give Representative Wright a \$5,000 gift and, to that end, gave a check in that amount to Mrs. Wright. Representative Wright informed Mr. Payte he could not accept the gift and returned the check.

The record further indicates that later, on March 9, 1987, Mr. Payte decided to contribute \$5,000 for revision and distribution of Representative Wright's book, Reflections of a Public Man. Mr. Payte wrote an additional \$1,000 check on August 7, 1987. Mr. Payte only received 300-500 copies of the books which were never revised as he wished.

Since Mr. Payte did not receive all of the books, the Committee has reason to believe that the books not delivered (500-700 copies) were a gift to the congressman but not reported in violation of House Rule XLIV regarding disclosure of gifts.

STATEMENT OF ALLEGED VIOLATION - COUNT TWO

RECEIPT OF GIFTS OF FREE HOUSING

The alleged violations described below arise as a result of Representative and Mrs. Wright's relationship with Mr. and Mrs. George Mallick, the two couples' joint ownership of an investment corporation known as Mallightco, Inc., and Mrs. Wright's purported employment association with the corporation.

The record indicates that during the period 1979 through 1984, Representative and Mrs. Wright were provided free housing in two apartments located in Fort Worth, Texas. Particularly with respect to the Wrights' free use of an apartment during 1980 through 1984, such free use was arranged by Mr. George Mallick but not as part of Mrs. Wright's compensation from Mallightco, Inc. The Committee has reason to believe that Mr. Mallick is an individual with a direct interest in legislation.

While the alleged gifts of free housing involved were assertedly provided to Mrs. Wright, the benefits derived therefrom are imputed to the congressman because of the circumstance indicating that the free housing was not provided to Mrs. Wright wholly independent of her spousal relationship. Notably, Representative Wright and Mr. Mallick maintained a close social relationship for a period of years prior to the time Mr. Mallick arranged the free housing. Finally, Representative Wright shared the benefits of Mr. Mallick's gift of free housing to the same extent as did his wife.

A. Calendar Year 1979

The record indicates that in calendar year 1979,

Representative Wright received a gift of free housing valued at \$2,151 arising out of his free use of an apartment located at 4212-C Hulen Place, Fort Worth, Texas, and controlled by George Mallick, an individual the Committee has reason to believe had a direct interest in legislation.

Because this gift to Representative Wright was not reported on his Financial Disclosure Statement for calendar year 1979 as required by House Rule XLIV, the Committee has reason to believe that Representative Wright violated House Rule XLIV and House Rule XLIII, clause 4, the latter of which imposes a limit of \$100 on gifts received from persons with a direct interest in legislation.

B. Calendar Year 1980

The record indicates that in calendar year 1980, Representative Wright received a gift of free housing valued at \$2,868 arising out of his free use of an apartment located at 4212-C Hulen Place, Fort Worth, Texas, and controlled by George Mallick, an individual the Committee has reason to believe had a direct interest in legislation.

Because this gift to Representative Wright was not reported on his Financial Disclosure Statement for calendar year 1980 as required by House Rule XLIV, the Committee has reason to believe that Representative Wright violated House Rule XLIV and House Rule XLIII, clause 4, the latter of which imposes a limit of \$100 on gifts received from persons with a direct interest in legislation.

C. Calendar Year 1981

The record indicates that in calendar year 1981, Representative Wright received a gift of free housing valued at \$3,279 arising out of his free use of apartments located at 4212-C Hulen Place, Fort Worth, Texas, and 1067 Roaring Springs Road, Fort Worth, Texas, and each controlled by George Mallick, an individual the Committee has reason to believe had a direct interest in legislation.

Because this gift to Representative Wright was not reported on his Financial Disclosure Statement for calendar year 1981 as required by House Rule XLIV, the Committee has reason to believe that Representative Wright violated House Rule XLIV and House Rule XLIII, clause 4, the latter of which imposes a limit of \$100 on gifts received from persons with a direct interest in legislation.

D. Calendar Year 1982

The record indicates that in calendar year 1982, Representative Wright received a gift of free housing valued at \$7,800 arising out of his free use of an apartment located at 1067 Roaring Springs Road, Fort Worth, Texas, and controlled by George Mallick, an individual the Committee has reason to believe had a direct interest in legislation.

Because this gift to Representative Wright was not reported on his Financial Disclosure Statement for calendar year 1982 as required by House Rule XLIV, the Committee has reason to believe that Representative Wright violated House Rule XLIV and House Rule XLIII, clause 4, the latter of which imposes a limit of \$100 on gifts received from persons with a direct interest in

legislation.

E. Calendar Year 1983

The record indicates that in calendar year 1983, Representative Wright received a gift of free housing valued at \$7,800 arising out of his free use of an apartment located at 1067 Roaring Springs Road, Fort Worth, Texas, and controlled by George Mallick, an individual the Committee has reason to believe had a direct interest in legislation.

Because this gift to Representative Wright was not reported on his Financial Disclosure Statement for calendar year 1983 as required by House Rule XLIV, the Committee has reason to believe that Representative Wright violated House Rule XLIV and House Rule XLIII, clause 4, the latter of which imposes a limit of \$100 on gifts received from persons with a direct interest in legislation.

F. Calendar Year 1984

The record indicates that in calendar year 1984, Representative Wright received a gift of free housing valued at \$7,800 arising out of his free use of an apartment located at 1067 Roaring Springs Road, Fort Worth, Texas, and controlled by George Mallick, an individual the Committee has reason to believe had a direct interest in legislation.

Because this gift to Representative Wright was not reported on his Financial Disclosure Statement for calendar year 1984 as required by House Rule XLIV, the Committee has reason to believe Representative Wright violated House Rule XLIV and House Rule XLIII, clause 4, the latter of which imposes a limit of \$100 on

gifts received from persons with a direct interest in
legislation.

STATEMENT OF ALLEGED VIOLATION - COUNT THREE

RECEIPT OF GIFTS OF REDUCED HOUSING COSTS

The alleged violations described below arise as a result of Representative and Mrs. Wright's relationship with Mr. and Mrs. George Mallick. The record indicates that during the period 1985 through 1988, Representative and Mrs. Wright were provided reduced-rate housing in an apartment/townhouse located in Fort Worth, Texas. During this period and notwithstanding the fact that Representative and Mrs. Wright had exclusive use and control of the apartment/townhouse which included the placement of their personal belongings and furnishings, payment for their use was based upon a per diem rate reflecting only those days for which the congressman and/or his wife were physically present in the apartment/townhouse.

Accordingly, the Committee has reason to believe that the per diem arrangement represented a gift to Representative Wright and his wife because it did not take into account the fact that the Wrights had totally relocated their personal effects in the apartment/townhouse in conjunction with their exclusive use of the facility. The Committee also has reason to believe that Mr. Mallick is an individual with a direct interest in legislation.

A. Calendar Year 1985

The record indicates that in calendar year 1985, Representative Wright received a gift of reduced housing cost valued at \$6,918 arising out of his use of an apartment/townhouse located at 1067 Roaring Springs Road, Fort Worth, Texas, and controlled by George Mallick, an individual the Committee has

reason to believe had a direct interest in legislation.

Because this gift to Representative Wright was not reported on his Financial Disclosure Statement for calendar year 1985 as required by House Rule XLIV, the Committee has reason to believe that Representative Wright violated House Rule XLIV and House Rule XLIII, clause 4, the latter of which imposes a limit of \$100 on gifts received from persons with a direct interest in legislation.

B. Calendar Year 1986

The record indicates that in calendar year 1986, Representative Wright received a gift of reduced housing cost valued at \$6,088 arising out of his use of an apartment/townhouse located at 1067 Roaring Springs Road, Fort Worth, Texas, and controlled by George Mallick, an individual the Committee has reason to believe had a direct interest in legislation.

Because this gift to Representative Wright was not reported on his Financial Disclosure Statement for calendar year 1986 as required by House Rule XLIV, the Committee has reason to believe that Representative Wright violated House Rule XLIV and House Rule XLIII, clause 4, the latter of which imposes a limit of \$100 on gifts received from persons with a direct interest in legislation.

C. Calendar Year 1987

The record indicates that in calendar year 1987, Representative Wright received a gift of reduced housing cost valued at \$7,044 arising out of his use of an apartment/townhouse located at 1067 Roaring Springs Road, Fort Worth, Texas, and

controlled by George Mallick, an individual the Committee has reason to believe had a direct interest in legislation.

Because this gift to Representative Wright was not reported on his Financial Disclosure Statement for calendar year 1987 as required by House Rule XLIV, the Committee has reason to believe Representative Wright violated House Rule XLIV and House Rule XLIII, clause 4, the latter of which imposes a limit of \$100 on gifts received from persons with a direct interest in legislation.

D. Calendar Year 1988

The record indicates that in calendar year 1988, Representative Wright received a gift of reduced housing cost valued at \$1,740 arising out of his use of an apartment/townhouse located at 1067 Roaring Springs Road, Fort Worth, Texas, and controlled by George Mallick, an individual the Committee has reason to believe had a direct interest in legislation.

Because this gift was in excess of the limit on gifts from individuals with a direct interest in legislation, the Committee has reason to believe that Representative Wright violated House Rule XLIII, clause 4, which imposes a limit of \$100 on gifts received from persons with a direct interest in legislation.

STATEMENT OF ALLEGED VIOLATION - COUNT FOUR

GIFT OF SALARY

The alleged violations described below arise as a result of Representative and Mrs. Wright's relationship with Mr. and Mrs. George Mallick, the two couples' joint ownership of an investment corporation known as Mallightco, Inc., and Mrs. Wright's purported employment association with the corporation. The record indicates that during the period 1981 through 1984, Mrs. Wright received a total of \$72,000 (\$18,000 a year) in compensation as an employee of Mallightco, Inc. During this four-year period, there was no evidence either supporting or establishing that the money paid to Mrs. Wright was in return for identifiable services or work products that she provided to Mallightco, Inc. Accordingly, the Committee has reason to believe that the compensation paid to Mrs. Wright was a gift from Mr. George Mallick who was in charge of the corporation's activities including those of its employees. The Committee also has reason to believe that Mr. Mallick is an individual with a direct interest in legislation.

While the alleged gifts of salary involved were assertedly provided to Mrs. Wright, the benefits derived therefrom are imputed to the congressman because of the circumstance indicating that such gifts were not provided to Mrs. Wright wholly independent of her spousal relationship. Notably, Representative Wright and Mr. Mallick maintained a close social relationship for a period of years prior to the time Mrs. Wright was placed on Mallightco, Inc.'s payroll.

A. Calendar Year 1981

The record indicates that in calendar year 1981, Mrs. Wright received compensation in the amount of \$18,000 from Mallightco, Inc. Because there is no evidence supporting or establishing that the money paid to Mrs. Wright was in return for identifiable services or work products that she provided to Mallightco, Inc., the \$18,000 paid to her was, therefore, an apparent gift.

Moreover, because this gift was not reported on Representative Wright's Financial Disclosure Statement for calendar year 1981 as required by House Rule XLIV, the Committee has reason to believe that Representative Wright violated House Rule XLIV and House Rule XLIII, clause 4, the latter of which imposes a limit of \$100 on gifts received from persons having a direct interest in legislation.

B. Calendar Year 1982

The record indicates that in calendar year 1982, Mrs. Wright received compensation in the amount of \$18,000 from Mallightco, Inc. Because there is no evidence supporting or establishing that the money paid to Mrs. Wright was in return for identifiable services or work products that she provided to Mallightco, Inc., the \$18,000 paid to her was, therefore, an apparent gift.

Moreover, because this gift was not reported on Representative Wright's Financial Disclosure Statement for calendar year 1982 as required by House Rule XLIV, the Committee has reason to believe Representative Wright violated House Rule XLIV and House Rule XLIII, clause 4, the latter of which imposes a limit of \$100 on gifts received from persons having a direct

interest in legislation.

C. Calendar Year 1983

The record indicates that in calendar year 1983, Mrs. Wright received compensation in the amount of \$18,000 from Mallightco, Inc. Because there is no evidence supporting or establishing that the money paid to Mrs. Wright was in return for identifiable services or work products that she provided to Mallightco, Inc., the \$18,000 paid to her was, therefore, an apparent gift.

Moreover, because this gift was not reported on Representative Wright's Financial Disclosure Statement for calendar year 1983 as required by House Rule XLIV, the Committee has reason to believe that Representative Wright violated House Rule XLIV and House Rule XLIII, clause 4, the latter of which imposes a limit of \$100 on gifts received from persons having a direct interest in legislation.

D. Calendar Year 1984

The record indicates that in calendar year 1984, Mrs. Wright received compensation in the amount of \$18,000 from Mallightco, Inc. Because there is no evidence supporting or establishing that the money paid to Mrs. Wright was in return for identifiable services or work products that she provided to Mallightco, Inc., the \$18,000 paid to her was, therefore, an apparent gift.

Moreover, because this gift was not reported on Representative Wright's Financial Disclosure Statement for calendar year 1984 as required by House Rule XLIV, the Committee has reason to believe that Representative Wright violated House Rule XLIV and House Rule XLIII, clause 4, the latter of which

imposes a limit of \$100 on gifts received from persons having a direct interest in legislation.

STATEMENT OF ALLEGED VIOLATION - COUNT FIVE

GIFTS OF USE OF AN AUTOMOBILE AND
AUTOMOBILE MAINTENANCE AND OPERATION

The alleged violations described below arise as a result of Representative and Mrs. Wright's relationship with Mr. and Mrs. George Mallick, the two couples' joint ownership of an investment corporation known as Mallightco, Inc., and Mrs. Wright's purported employment association with the corporation. The record indicates that during the period 1983 through 1988, Mrs. Wright was provided the free use of a 1979 Cadillac Seville, including maintenance and operation costs (e.g., insurance, registration and repair) of the vehicle, assertedly by virtue of her employment association with Mallightco, Inc. The record further indicates that Mrs. Wright's employment association with Mallightco, Inc. terminated on December 31, 1984, and that her use of the vehicle subsequent to 1984 could not be predicated upon an employment association with the corporation.

Finally, the record indicates that the automobile was located in Washington beginning in 1983 and that the records of Mallightco, Inc. began referring to the Cadillac as Mrs. Wright's car. There is no evidence indicating that Mrs. Wright's use of the vehicle in Washington, D. C., was necessary since the corporation's business headquarters were located in Fort Worth, Texas, and there is no record supporting or establishing that she performed any duties for Mallightco in the District of Columbia. Mrs. Wright's use of the vehicle was arranged by Mr. Mallick, an individual whom the Committee believes has a direct

interest in legislation.

While the alleged gifts of the free use of an automobile and associated operation and maintenance costs were assertedly provided to Mrs. Wright, the benefits derived therefrom are imputed to the congressman because of the circumstance indicating that such gifts were not provided to Mrs. Wright wholly independent of her spousal relationship. Notably, Representative Wright and Mr. Mallick maintained a close social relationship for a period of years prior to the time Mr. Mallick arranged the free use of the automobile and associated maintenance and operation costs.

A. Calendar Year 1983

The record indicates that in calendar year 1983, Mrs. Wright was provided free use of a 1979 Cadillac Seville which was an asset of Mallightco, Inc. and under the control of George Mallick, an individual the Committee has reason to believe had a direct interest in legislation. Because there is no evidence that Mrs. Wright required the use of this automobile during her employment association with Mallightco, Inc., the free use of the automobile was a gift to Representative Wright and his wife valued at \$1,416.

Since the gift of automobile usage was not reported on Representative Wright's Financial Disclosure Statement for calendar year 1983 as required by House Rule XLIV, the Committee has reason to believe that Representative Wright violated House Rule XLIV and House Rule XLIII, clause 4, the latter of which imposes a limit of \$100 on gifts received from persons having a

direct interest in legislation.

In addition to the foregoing, the record indicates that in calendar year 1983, Representative Wright and his wife received a gift of \$1,803.45 representing the costs to maintain and insure the 1979 Cadillac Seville provided by George Mallick, as described above.

Because this gift of the costs of automobile maintenance and operation was not reported on Representative Wright's Financial Disclosure Statement for calendar year 1983 as required by House Rule XLIV, the Committee has reason to believe that Representative Wright violated House Rule XLIV and House Rule XLIII, clause 4, the latter of which imposes a limit of \$100 on gifts received from persons having a direct interest in legislation.

B. Calendar Year 1984

The record indicates that in calendar year 1984, Mrs. Wright was provided free use of a 1979 Cadillac Seville which was an asset of Mallightco, Inc. and under the control of George Mallick, an individual the Committee has reason to believe had a direct interest in legislation. Because there is no evidence that Mrs. Wright required the use of this automobile during her employment association with Mallightco, Inc., the free use of the automobile was a gift to Representative Wright and his wife valued at \$1,416.

Since the gift of automobile usage was not reported on Representative Wright's Financial Disclosure Statement for calendar year 1984 as required by House Rule XLIV, the Committee

has reason to believe the Representative Wright violated House Rule XLIV and House Rule XLIII, clause 4, the latter of which imposes a limit of \$100 on gifts received from persons having a direct interest in legislation.

In addition to the foregoing, the record indicates that in calendar year 1984, Representative Wright and his wife received a gift of \$1,648.58 representing the costs to maintain and insure the 1979 Cadillac Seville provided by George Mallick, as described above.

Because this gift of the costs of automobile maintenance and operation was not reported on Representative Wright's Financial Disclosure Statement for calendar year 1984 as required by House Rule XLIV, the Committee has reason to believe that Representative Wright violated House Rule XLIV and House Rule XLIII, clause 4, the latter of which imposes a limit of \$100 on gifts received from persons having a direct interest in legislation.

C. Calendar Year 1985

The record indicates that in calendar year 1985, Mrs. Wright was provided free use of a 1979 Cadillac Seville which was an asset of Mallightco, Inc. and under the control of George Mallick, an individual the Committee has reason to believe had a direct interest in legislation. Because there is no evidence that Mrs. Wright required the use of this automobile after her employment association with that organization was terminated, the free use of the automobile was a gift to Representative Wright and his wife valued at \$1,416.

Since the gift of automobile usage was not reported on Representative Wright's Financial Disclosure Statement for calendar year 1985 as required by House Rule XLIV, the Committee has reason to believe that Representative Wright violated House Rule XLIV and House Rule XLIII, clause 4, the latter of which imposes a limit of \$100 on gifts received from persons having a direct interest in legislation.

In addition to the foregoing, the record indicates that in calendar year 1985, Representative Wright and his wife received a gift of \$1,477.80 representing the costs to maintain and insure the 1979 Cadillac Seville provided by George Mallick, as described above.

Because this gift of the costs of automobile maintenance and operation was not reported on Representative Wright's Financial Disclosure Statement for calendar year 1985 as required by House Rule XLIV, the Committee has reason to believe that Representative Wright violated House Rule XLIV and House Rule XLIII, clause 4, the latter of which imposes a limit of \$100 on gifts received from persons having a direct interest in legislation.

D. Calendar Year 1986

The record indicates that in calendar year 1986, Mrs. Wright was provided free use of a 1979 Cadillac Seville which was an asset of Mallightco, Inc. and under the control of George Mallick, an individual the Committee has reason to believe had a direct interest in legislation. Because there is no evidence that Mrs. Wright required the use of this automobile after her

employment association with that organization was terminated, the free use of the automobile was a gift to Representative Wright and his wife valued at \$1,416.

Since the gift of automobile usage was not reported on Representative Wright's Financial Disclosure Statement for calendar year 1986 as required by House Rule XLIV, the Committee has reason to believe that Representative Wright violated House Rule XLIV and House Rule XLIII, clause 4, the latter of which imposes a limit of \$100 on gifts received from persons having a direct interest in legislation.

In addition to the foregoing, the record indicates that in calendar year 1986, Representative Wright and his wife received a gift of \$1,510 representing the costs to insure the 1979 Cadillac Seville provided by George Mallick, as described above.

Because this gift of the cost of automobile insurance was not reported on Representative Wright's Financial Disclosure Statement for calendar year 1986 as required by House Rule XLIV, the Committee has reason to believe that Representative Wright violated House Rule XLIV and House Rule XLIII, clause 4, the latter of which imposes a limit of \$100 on gifts received from persons having a direct interest in legislation.

E. Calendar Year 1987

The record indicates that in calendar year 1987, Mrs. Wright was provided free use of a 1979 Cadillac Seville which was an asset of Mallightco, Inc. and under the control of George Mallick, an individual the Committee has reason to believe had a direct interest in legislation. Because there is no evidence

that Mrs. Wright required the use of this automobile after her employment association with that organization was terminated, the free use of the automobile was a gift to Representative Wright and his wife valued at \$1,416.

Since the gift of automobile usage was not reported on Representative Wright's Financial Disclosure Statement for calendar year 1987 as required by House Rule XLIV, the Committee has reason to believe that Representative Wright violated House Rule XLIV and House Rule XLIII, clause 4, the latter of which imposes a limit of \$100 on gifts received from persons having a direct interest in legislation.

In addition to the foregoing, the record indicates that in calendar year 1987, Representative Wright and his wife received a gift of \$2,849.02 representing the costs to maintain and insure the 1979 Cadillac Seville provided by George Mallick, as described above.

Because this gift of the costs of automobile maintenance and operation was not reported on Representative Wright's Financial Disclosure Statement for calendar year 1987 as required by House Rule XLIV, the Committee has reason to believe that Representative Wright violated House Rule XLIV and House Rule XLIII, clause 4, the latter of which imposes a limit of \$100 on gifts received from persons having a direct interest in legislation.

F. Calendar Year 1988

The record indicates that in calendar year 1988, Mrs. Wright was provided free use of a 1979 Cadillac Seville which was an

asset of Mallightco, Inc. and under the control of George Mallick, an individual the Committee has reason to believe had a direct interest in legislation. Because there is no evidence that Mrs. Wright required the use of this automobile after her employment association with that organization was terminated, the free use of the automobile was a gift to Representative Wright and his wife valued at \$1,416.

Since this gift of automobile usage was in excess of the limit on gifts from individuals with a direct interest in legislation, the Committee has reason to believe that Representative Wright violated House Rule XLIII, clause 4, which imposes a limit of \$100 on gifts received from persons having a direct interest in legislation.

In addition to the foregoing, the record indicates that in calendar year 1988, Representative Wright and his wife received a gift of \$1,606.80 representing the costs to maintain and insure the 1979 Cadillac Seville provided by George Mallick, as described above.

Because this gift of the costs of automobile maintenance and operation was in excess of the limit on gifts from individuals with a direct interest in legislation, the Committee has reason to believe that Representative Wright violated House Rule XLIII, clause 4, which imposes a limit of \$100 on gifts received from persons having a direct interest in legislation.